

LOWEST COST OF OWNERSHIP

YASKAWA MOTION PRODUCTS

1 PRODUCT LIFE CYCLE

Yaskawa designs typically have very long life cycles, with products commonly supported 10+ years after being updated to a new design.

Our facility in Buffalo Grove, IL can continue production support for legacy products, even further if the quantities required are warranted.

Yaskawa will continue to support products as long as components are available for their manufacture. In the unusual event that parts can no longer be acquired, a large buffer of stock will be created to allow customers to transition to a new product. We traditionally purchase, manufacture and stock a large amount of the discontinued part prior to its obsolescence, creating an extra buffer of support for legacy hardware in the field.

All Yaskawa Sigma series servo products are designed for more than 25 years of life. See the product life cycle chart below for details.

2 ANNUAL MRO EXPENSES

(Reduced Parts Consumption)

Yaskawa products lead the industry in MTBF (Mean Time Before Failure) performance.

Replacements due to product failure are extremely rare, and are virtually nonexistent within the product warranty period. It is common for Yaskawa products to be in the field and functioning for 25+ years, thus reducing the overall cost of replacement parts.

In the rare event of a price increase, we always offer an opportunity to purchase a significant supply of products at pre-increase prices.

3 SOFTWARE SAVINGS

Our flagship MotionWorks IEC Pro software is offered at a low one-time cost and includes no mandatory renewals or licensing contracts..

Most end users do not require MotionWorks IEC Pro, thanks to web server functionality that is built into our products at no extra cost.

The only additional need to purchase software comes with a major software release, which is necessary only when new features included in the release are required. Regular software updates are free.

Software cost can also be negotiated, depending on customer sales volume.

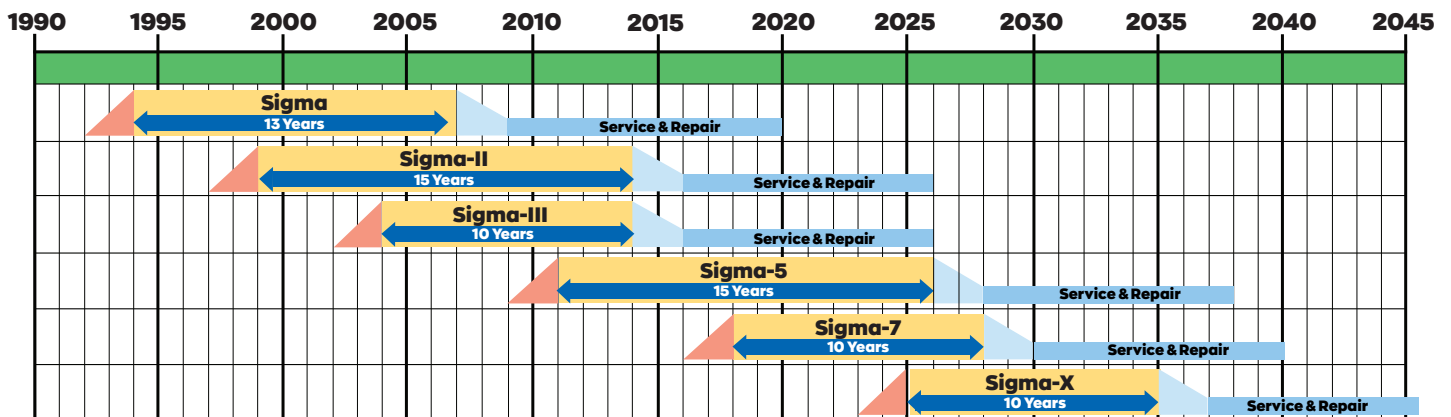
4 LABOR RATE SAVINGS

(includes pre-engineered rates, machine design, software & code development)

Standard 24/7/365 tech support via 1-800-Yaskawa is always free to all customers.

There is no need for a customer number or credit card to get over-the-phone support.

A three tiered system gives customers a clear indication of the cost of service and support.



Note: New product, if available, may still be purchased during the Service & Repair time period.

YASKAWA MOTION: COST OF OWNERSHIP

- **Tier 1 (Free of Charge)** - Practically every presales/engineering activity is provided at no cost, including phone support, collaborative engineering for new machine design, code development for a new machine or process, and training. Some scheduled post-sales service/support can also be included in this Tier 1 level depending on requirements.
- **Tier 2 (billable)** - Scheduled service/support at an end user location. Examples for this could be servo tuning assistance, code troubleshooting, and scheduled maintenance.
- **Tier 3 (billable)** - Emergency service required within 24 hours. Domestic and international service may be broken down into different rates based on resources required.

Blocks of engineering time can also be purchased or negotiated into the service agreement.

5

TRAINING RATES

Yaskawa believes in empowering every customer to properly support their equipment. As a result, we've created a wide variety of classroom and online training opportunities for customers seeking to improve their understanding of Yaskawa products.

Most training falls into the Tier 1 level and is provided at no charge. Training classes are offered at Yaskawa's training center in Waukegan, IL as well as onsite. General maintenance training is also free of charge to end user locations that are accepting new machinery equipped with Yaskawa hardware.

6

IMPROVED WARRANTY

Only six Yaskawa products out of every 100,000 manufactured will require warranty service.

This outstanding record makes it possible to offer warranties that extend beyond the standard 18 month warranty at no extra cost (depending on the purchase volumes involved).

7

REDUCE INVENTORY

Yaskawa stocks up to \$90 million of inventory at our Buffalo Grove, IL distribution warehouse.

Thanks to these large stock quantities, most products ship same day or next day.

Yaskawa inventory allows customers to avoid carrying large inventories at their own facilities.

Customer-specific inventory can also be stocked to meet a customer's special needs for assured access to key items.

8

REDUCE LEAD TIMES

All standard Yaskawa products are stocked items and are generally available to ship same or next day.

9

AVOID PRICE INCREASES

Yaskawa does not make annual price increases to any customer, large or small. This policy can be relied upon, except in the rare instance of unforeseen circumstances outside of our control like the 2011 Tohoku earthquake and tsunami. In these cases we openly communicate to address any changes.

10

PRODUCT QUALITY

Yaskawa never releases a product simply because it has a new feature. Our standard practice is to be certain we have the best solution possible and the most reliable, completely proven technology before a new product is released. Yaskawa will not sacrifice product performance or quality to rush a product to market.

This unwavering standard for quality and performance makes Yaskawa products the best in their class and void of quality deficiencies.

This leads to improved uptime for customers, and a significantly lower cost of ownership for Yaskawa products compared to competitors.

11

SYSTEM INTEGRATION

The engineers and project managers in Yaskawa's Project Engineering Group can provide many of the services an industrial integrator would provide...and all of them in many cases...at little or no cost to the customer. These no-charge services are considered presales engineering on most large projects, provided that the customer is willing to participate in the development process and ultimately assume responsibility for the code/hardware developed.

The chief benefit of using Yaskawa's Project Engineering Group is that Yaskawa has a vested interest in the commitment of a third party integrator can fade after the paid support hours are expended.

YASKAWA MOTION: COST OF OWNERSHIP

12 OEM EXAMPLE

(Large CPG Installation)

Historically, this large CPG needed to ship spare motors and drives for all its machines equipped with Rockwell components, as an accommodation for frequent hardware failures. CPG stopped shipping spares with their machines after three years of switching to Yaskawa. Spares were no longer needed, because they didn't experience a single failure in three years of working experience.

Similarly, an OEM that builds Vertical Form Fill & Sealing machines has shipped over 300 machines in approximately 4 years and hasn't experienced a single hardware failure. Now, all of their international machines are Yaskawa equipped.

13 YASKAWA PARTNERSHIP

Every partnership includes co-developed product specific to the application. This distinguishes us from competitors that offer only what is available in a family of standard product. This results in a sacrifice in machine performance from using a standard product that isn't the best possible fit for the application.

Partnerships also include an opportunity to influence our planning for future product designs, and on the timelines when new designs/features may be needed.

Our goal is simple: to create a vested interest in the mutual success of both companies.

14 PRODUCT SHIPMENTS

Yaskawa does not charge extra to drop ship products direct to end user locations. This applies equally to products purchased direct or through distribution channels.

Yaskawa will also ship products after hours or on weekends at no extra charge (minus expedited freight charges) on a case-by-case basis.

15 YASKAWA TODAY

NUMBER 1 in Mechatronics!

- World's largest manufacturer of AC Drives, Motion Control and Robotics, focused exclusively on motion control
- Over 100 years of manufacturing excellence
- Over 1.1 million Servo axes, 2.1 million AC Drives and 40,000 Robots sold every year

Since 1915, Yaskawa has produced...

18M SERVO AMPLIFIERS

30M VARIABLE FREQUENCY DRIVES

500K ROBOTS

Per year, that's...

- > 40,000 ROBOTS
- > 825,000 SERVO AMPLIFIERS
- > 1.12 MILLION SERVO MOTORS
- > 2.1 MILLION AC DRIVES

+ Award-winning

- QUALITY MANAGEMENT
- CUSTOMER SATISFACTION
- TECHNICAL SUPPORT

IT'S PERSONAL

14,800+ EMPLOYEES WORLD WIDE

GLOBAL SALES

\$4.5B

100+ YEARS MANUFACTURING EXCELLENCE

*Based on 2022 reported sales. For reference only.